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FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES IN THE MIDDLE EAST

United Nations Disengagement Observer Force

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force (UNDOF) (A/47/620) and the United Nations Interim Force in Lebanon (UNIFIL) (A/47/740). During its consideration of the items, representatives of the Secretary-General provided additional information to the Committee.

2. The observations and recommendations of the Advisory Committee on UNDOF and UNIFIL are contained in section IV below. However, in view of the late submission of the reports of the Secretary-General and the urgent need for the General Assembly to complete its consideration and appropriate the necessary funds for this operation, the Advisory Committee is presenting only an abbreviated report on these items. It is hoped that in future the Advisory Committee can revert to its traditional format for analysis of the Secretary-General's proposals and submission of its recommendations thereon.

II. UNITED NATIONS DISENGAGEMENT OBSERVER FORCE

3. UNDOF was established by the Security Council in its resolution 350 (1974) of 31 May 1974; its mandate has since been extended, most recently

by Security Council resolution 790 (1992) of 25 November 1992, for another period of six months until 31 May 1993.

4. As indicated in paragraph 4 of A/47/620, assessments totalling $992 million had been apportioned among Member States in respect of UNDOF and the United Nations Emergency Force (UNEF) for the period from inception to 30 November 1992, against which contributions totalling $935.7 million have been received. The Secretary-General states that the outstanding balance of $56.3 million includes an amount of $36 million transferred to a special account in accordance with General Assembly resolution 36/116 A, leaving an amount due of $20.3 million as at 30 September 1992. The Committee was informed that the air ambulance service mentioned in paragraph 5 of the report, has been utilized by UNDOF on two occasions.

5. In paragraphs 6 and 8 of the report, the Secretary-General states that UNDOF has been streamlined, leading to an overall 15 per cent reduction in military personnel and civilian staff.

6. The Advisory Committee notes from paragraph 9 of the report that full reimbursement, in accordance with the standard rates of reimbursement, has been made on a current basis to troop-contributing States.

7. According to paragraph 10 of the report, the audited financial statement of 31 December 1991 for UNEF/UNDOF covering the period from 1 December 1990 to 30 November 1991 indicates that the account shows a "surplus" balance of $4,520,635, representing excess income over expenditure; "income" includes assessed contributions irrespective of collectibility.

8. For reasons given in paragraph 12 of his report, the Secretary-General proposes that the surplus of $4,520,635, which otherwise would have to be surrendered as credits to Member States, be entered into the Suspense Account.

9. The disbursements and obligations for UNDOF from 1 December 1991 to 30 November 1992, as compared with the initial allocation (apportionment), are shown in the performance report in section IV and annex I of the report of the Secretary-General. Supplementary information on the performance report for the above period, including a detailed description under each line item, is provided in annex II.

10. In section V of the report, the Secretary-General estimates the cost for the renewal of UNDOF would be $3,034,000 gross ($2,953,000 net) per month from 1 December 1992 onwards; the total costs for the period from 1 December 1992 to 30 November 1993 are estimated at $36,413,000 gross ($35,436,000 net), as shown in annexes III and IV of the report.

III. UNITED NATIONS INTERIM FORCE IN LEBANON

11. UNIFIL was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for an initial period of six months and has since

been extended, most recently by Security Council resolution 768 (1992) of 30 July 1992, for another period of six months until 31 January 1993.

12. As indicated in paragraph 4 of A/47/740, assessments totalling $2,003.6 million had been apportioned among Member States in respect of UNIFIL for the period from inception to 31 January 1993, against which contributions totalling $1,846.4 million have been received. The Secretary-General states that the outstanding balance of $284.3 million includes an amount of $19.6 million transferred to a special account in accordance with General Assembly resolution 36/116 A, leaving an amount due of $264.7 million as at 31 October 1992.

13. In response to a renewed appeal for voluntary contributions to UNIFIL made by the General Assembly in paragraph 14 of its resolution 46/194 of 20 December 1991, the Secretary-General continued to receive some contributions in the form of services and supplies from one Government (A/47/740, para. 5) that were not budgeted for in the cost estimates. In paragraph 6 of the report, the Secretary-General indicates that as at 31 October 1991 voluntary contributions in cash to the Suspense Account totalling $8.4 million had been received from Governments.

14. In paragraph 8, the Secretary-General states that UNIFIL has been streamlined, resulting in reductions of 10 per cent in military personnel and 17 per cent in the number of internationally recruited staff, effective 1 August 1992.

15. The Advisory Committee notes the statement by the Secretary-General in paragraph 12 of his report that, as a result of the withholding of contributions by certain Member States or delays in payment of assessed contributions by other States:

> "UNIFIL has been unable to meet its obligations on a current basis, particularly those due to the troop-contributing countries, payments to which have never been made on a current and full basis in accordance with the rates established by the General Assembly. So far, the Suspense Account established in accordance with General Assembly resolution 34/9 D has not achieved its purpose of alleviating the financial burden on troop contributors."

The Secretary-General's concern is reiterated in paragraph 19 of his report, in which he appeals to all Member States to pay their assessments in full and without delay. He also appeals to Governments, as a practical measure, to make voluntary contributions to the UNIFIL Suspense Account, which has been set up by the General Assembly to facilitate the reimbursement of amounts to Governments contributing troops, equipment and supplies to UNIFIL.

16. In paragraph 13 of the report, the Secretary-General states that initial reimbursement to Governments is being made at the rate of $750 per person per month for pay and allowances for troops as part of the approved rate of $988; as at 31 October 1992, a total of $108,700 was due to

troop-contributing States for troop costs and $10.7 million for the cost of contingent-owned equipment (see A/47/740, para. 15).

17. According to paragraph 17 of the report, the audited financial statement of 31 December 1991 for UNIFIL covering the period from 1 February 1990 to 31 January 1991 indicates that the account shows a "surplus" balance of $6,851,976, representing excess income over expenditure; "income" includes assessed contributions irrespective of collectibility.

18. For reasons given in paragraph 18 of his report, the Secretary-General proposes that the surplus of $6,851,976, which otherwise would have to be surrendered as credits to Member States, be entered into the Suspense Account.

19. The disbursements and obligations for UNIFIL for the period from 1 February 1992 to 31 January 1993, as compared with the initial allocation (apportionment), are shown in the performance report in section IV and annex I of the report of the Secretary-General. Supplementary information on the performance report for the above period, including a detailed description under each line item, is provided in annex II.

20. In section V and annexes III and IV of his report, the Secretary-General estimates the costs of UNIFIL for the period from 1 February 1993 to 31 January 1994 at $146,280,000 gross ($143,178,000 net), or $12,190,000 gross ($11,931,500 net) per month. This estimate is based on an average force strength of 5,250, all ranks, and assumes that the existing responsibilities of UNIFIL will continue.

IV. OBSERVATIONS AND RECOMMENDATIONS

21. Although the decision to streamline both UNDOF and UNIFIL has been implemented, leading to reductions in the military strength of the two Forces (see paras. 5 and 14 above), it is the view of the Advisory Committee that cost estimates of various items are still over-budgeted and do not show corresponding decreases. With regard to civilian staff costs, for example, in spite of the reductions in resources, they appear greater than they would have been if reductions of 15 per cent in the case of UNDOF and 17 per cent in the case of UNIFIL had been applied.

22. The Advisory Committee notes that the cost estimates for premises/accommodation at UNDOF and UNIFIL are still very high. At UNDOF the costs are $1,841,000 for 1992-1993 compared to $2,425,000 for 1991-1992 (A/47/620, annex IV, paras. 15-18) and at UNIFIL they are $4,740,000 for 1993-1994 compared to $3,933,000 in 1992-1993 (A/47/740, annex IV, paras. 17-21).

23. With regard to transportation, the Advisory Committee notes the proposed purchase of 45 new vehicles for replacement at a cost of $783,000 and a provision of $1,140,000 for vehicle spare parts at UNDOF (A/47/620, annex IV, paras. 19-25); at UNIFIL there are 157 new vehicles for replacement at a cost

of $4,461,000 and a provision of $4,295,000 for vehicle spare parts (A/47/740, annex IV, paras. 23-28). The Committee is of the view that there is a need for economy in the purchase and maintenance of vehicles.

24. Subject to its observations and taking into account paragraphs 21 to 23 above, the Advisory Committee recommends that the General Assembly approve the estimates of the Secretary-General for UNDOF for the mandate period from 1 December 1992 to 30 November 1993 (para. 10 above) and for UNIFIL for the mandate period from 1 February 1993 to 31 January 1994 (para. 20 above). As regards the unencumbered balance of $841,000 for UNDOF, the Committee recommends, as proposed by the Secretary-General in his report (A/47/620, para. 12), that Member States be credited with this amount against their assessed contributions for mandate periods subsequent to 30 November 1992.

25. The Advisory Committee recommends an appropriation for UNDOF in the amount of $18,206,500 gross ($17,718,000 net) for the period from 1 December 1992 to 31 May 1993. Subject to the decision to be taken by the Security Council on the renewal of UNDOF after 31 May 1993, requirements for UNDOF for the period from 1 June 1993 to 30 November 1993 should not exceed $18,206,500 gross ($17,718,000 net). On that basis, the Committee recommends that the General Assembly approve commitment authority up to the level of $3,034,000 gross ($2,953,000 net) per month for the six-month period beginning 1 June 1993.

26. The Committee concurs in the recommendations of the Secretary-General in paragraphs 12 (d) of his report on UNDOF and 18 of his report on UNIFIL that the provisions of financial regulations 4.3, 4.4, 5.2 (b) and 5.2 (d) be suspended and that the surplus balances in the UNDOF and UNIFIL accounts be transferred to the Suspense Accounts established pursuant to relevant General Assembly resolutions, until further decisions on the disposition of the surplus balances are taken by the General Assembly.

27. Subject to the decision to be taken by the Security Council on the renewal of UNIFIL after 31 January 1993, requirements for UNIFIL for the period from 1 February 1993 to 31 January 1994 should not exceed $146,280,000 gross ($143,178,000 net). On that basis, the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of $12,190,000 gross ($11,931,500 net) per month for the 12-month period beginning 1 February 1993. The Committee notes that, in paragraph 10 of his report (A/47/740), the Secretary-General indicates the procedures that he intends to follow should future decisions of the Security Council regarding the status of UNIFIL entail costs exceeding the limits authorized by the General Assembly.

28. The Committee further recommends that the Secretary-General should be permitted the usual flexibility to transfer credits between items of expenditure, should that be necessary in the interest of good management and efficiency.